

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
Federal-State Joint Board on)	CC Docket No. 96.45
Universal Service)	
1998 Biennial Regulatory Review -)	CC Docket No. 98-171
Streamlined Contributor Reporting)	
Requirements Associated with Administration)	
Of Telecommunications Relay Service, North)	
American Numbering Plan, Local Number)	
Portability, and Universal Service Support)	
Mechanisms)	
Telecommunications Services for Individuals)	CC Docket No. 90-571
With Hearing and Speech Disabilities, and the)	
Americans with Disabilities Act of 1990)	
Administration of the North American)	CC Docket No. 92-237
Numbering Plan and North American)	NSD File No. L-00-72
Numbering Plan Cost Recovery Contribution)	
Factor and Fund Size)	
Number Resource Optimization)	CC Docket No. 99-200
Telephone Number Portability)	CC Docket No. 95-116
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

COMMENTS
OF
ONSTAR CORPORATION

OnStar Corporation hereby submits these comments in response to the Commission's Public Notice released February 26, 2002 in the above captioned matters.

Background

OnStar, a wholly owned subsidiary of General Motors Corporation, provides embedded telematics services to the owners of vehicles manufactured by General Motors (Chevrolet, Pontiac, Oldsmobile, Buick, Cadillac, GMC, Saturn, and SAAB) and other automotive manufacturers including Lexus (manufactured by Toyota), Audi (manufactured by Volkswagen) and Acura (manufactured by Honda). Subaru and Hummer also have announced selected future product programs will offer OnStar. As of February 2002, OnStar was the largest provider of such services with approximately 2.1 million subscribers. At the end of February 2002, OnStar was receiving approximately 500 automatic airbag deployment or crash notifications per month. Our incident tracking indicates that in over 60% of these incident types, OnStar's call was the first call received by the PSAP.

OnStar's telematics system combines cellular communications with GPS and is integrated into the electrical architecture of the vehicle. This allows the provision of services that are interactive with the vehicle such as automatic crash notification (ACN); remote diagnostics in the event of vehicle problems including for example engine,

transmission, antilock braking or airbag system problems; stolen vehicle location and remote door unlock as well as call center based services such as navigation and point of interest routing and, in more recent generations of OnStar hardware, hands-free, voice activated, prepaid, wireless cellular service. By the end of the 2001, OnStar was averaging in a month over 375 stolen vehicle location requests, 15,000 door unlock requests and 15,000 roadside assistance and remote diagnostics requests. As an “opt-in” service, a separate subscriber agreement is required

OnStar offers three levels of service: Safe and Sound™; Directions and Connections™; Luxury and Leisure™. A feature of each of these three services is access to OnStar Personal Calling™¹. OnStar Personal Calling (OPC) takes advantage of the presence of the embedded cellular phone in the vehicle to offer hands-free, voice activated cellular calling using the same number as used for provision of the call center based services. As an in-vehicle complement to the traditional wireless portable, OPC reduces driver distraction issues associated with in-vehicle wireless phone use. OPC is, however, only a complement, as its hands-free, voice activated implementation does not currently support use of 12 button keypad services such as voice mail review. OPC calls are connected like traditional wireless calls thru the PSTN and without any involvement of or routing to or through the OnStar call centers. OPC can be used to make or receive calls.

The first year of OnStar call center service is included in the price of the vehicle (or option, if ordered as an option). Subscribers may purchase multi-year service packages

or, after the first year of service expires, renew on either an annual or monthly basis.

OPC is separately priced as a prepaid service in which a subscriber purchases a package of minutes good for a specified time (e.g. 300 minutes for 60 days).

A Revenue Based System With Safe Harbors Has Fewer Equity Issues Than A Connection Based System

OnStar believes that the proposed connection based system has the potential to create a number of equity issues. As a consequence, OnStar believes that a revenue-based system with safe harbors continues to offer a superior approach to equitably achieving the statutory objectives associated with USF funding.

A Connection Basis Shifts Relative USF Burden To Low Volume Users

OnStar is concerned that the proposed system shifts the relative burden of USF funding to low volume users (and even non users of interstate and international calling) and without regard to functionality except to the extent that a service is designated as paging.

For example, to the extent that the proposed connection based system would assess the connection for the OnStar call center services, that assessment is dramatically out of proportion compared to a wireless handset enabled for routine local, interstate and international calling. As set out earlier, the OnStar call center services do not permit the subscriber to place a call to any location except a call center and only for the limited

¹ The OnStar Personal Calling feature is not available in all areas of the United States. See WWW.onstar.com.

purpose of securing the services to which the vehicle owner subscribed. By contrast, even paging has greater flexibility in allowing unlimited access from the PSTN.

Moreover, the majority of customers are subscribed to the basic “Safe and Sound” package that costs only \$16.95 per month. A \$1 per month fee on these limited but potentially lifesaving safety and security services is far more significant than on an average cellular/PCS account and consequently acts to disincentivize accessing the highway safety benefits of the OnStar technology.

Prepaid Service Users Will Be Over-Assessed In a Connection Based System

The connection-based proposal has the potential to create serious inequities for customers of prepaid services like OPC compared to postpaid services. Again, by way of example: If a customer purchases a two month package of 300 minutes - which would presumably include two months of USF - but exhausts the minutes after three weeks and purchases a new two month 300 minute package and exhausts the minutes after five weeks, the prepaid customer would be double charged the USF compared to the postpaid customer. This situation is equitably addressed today with the revenue-based system with safe harbors.

A Connection-Based System Assumes Interstate/International Calling

The revenue-based assessment with safe harbors also more fairly addresses the issues of international and interstate calling. OPC does not currently permit customers to make international calls. Further it would not be uncommon for customers to make only local

calls. While interstate capability exists, the more likely call placement for many vehicle owners and operators is local calls, particularly those associated with driving, such as calls to alert others of anticipated late arrival at a destination.

OPC Audio Internet Access Would Be Disadvantaged

One further area of inequity should be noted. Within OPC, there is an ability to secure audio access to a variety of internet-based services (“Virtual Adviser”™) including content such as local traffic reports, news, weather, financial services and sports. It seems inappropriate that the OPC gateway to such Internet services should incur a USF charge when other gateways do not.

OnStar appreciates the Commission’s consideration of these issues as it evaluates the USF issue.

Respectively submitted,

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